

## The Use of EJCDC Funding Agency Edition Documents on Water and Waste Projects with RUS Financial Assistance

### Owner-Engineer Agreement Document List

The Rural Utilities Service (RUS) and the Engineers Joint Contract Documents Committee (EJCDC) have developed a Funding Agency Edition of the Owner-Engineer Agreement that when properly assembled is acceptable for use on Water and Waste Disposal projects funded by RUS. These documents are 2002 edition and should be used in coordination with the EJCDC construction related documents, Funding Agency Editions. The Exhibits referenced here were specifically drafted to be used with the Owner-Engineer Agreement, Funding Agency Edition and should not be mixed with Exhibits from the Standard Edition.

Because the EJCDC documents are fully integrated, when making a modification in one document you should ensure that appropriate modifications are made in all effected documents. It is RUS policy that the applicants use the EJCDC documents with minimal modification. However, RUS recognizes each project is unique and that modifications may be required to satisfy specific project requirements or State statutes.

Before an applicant or consultant proceeds with the development of an agreement, they should contact the Rural Development State Office to verify they have the most current information specific to the type of project and state where the project is located.

This table provides a list of the component parts of a complete Owner-Engineer Agreement and RUS Notes on their use.

Title	Form	RUS Notes: Necessary actions, important points
Standard Form of Agreement Between Owner and Engineer for Professional Services Funding Agency Edition	E-510(02)	<ul style="list-style-type: none"><li>• This document consists of a basic 13 page agreement with 9 “bolt-on” exhibits.</li><li>• Page 1 of 15, before an “Effective Date” is entered the Owner should consult with a Rural Development representative.</li><li>• Page 2 of 15, note that the payment of invoices is dependent upon funds availability. RUS funds are not available to Owner until the construction contract is <u>awarded</u>. However, other funding sources may be available to the Owner prior to the availability of RUS funds.</li><li>• Page 12 of 15, RUS funding can be used for payment of engineering services only after RUS has concurred in this document.</li><li>• In addition to copies customarily provided for Owner, Engineer, and others, TWO executed copies with all attachments will be provided for USDA Rural Development use.</li><li>• Article 8, 8.02, This Agreement constitutes the entire agreement between Owner and Engineer for the Project. No agreements for additional compensation for services provided under this Agreement are permitted.</li><li>• Article 8, 8.05, State funding agency requirements not in conflict with Federal requirements should be outlined in Exhibit I, Special Provisions, as a new paragraph 8.05.</li></ul>

Title	Form	RUS Notes: Necessary actions, important points
Engineer's Services	E-510 Exhibit A (Required)	<ul style="list-style-type: none"> <li>Explains the services to be provided by the engineer.</li> <li>A.1.01.A.4, list of alternatives to be evaluated must be entered, but leave option to add any required by funding agencies.</li> <li>A.1.01.A.6, Typical tasks and deliverables are listed, but list should be reviewed and adjusted as appropriate.</li> <li>A.1.02.A.4, A.1.03.A.4, A.1.04.A6, A.105.A.19, and A.1.06.A.6, Any unique tasks and deliverables not covered in the standard language must be added in the appropriate phase. A.1.06.B, The Engineer should provide a number of hours commensurate with the size and complexity of the project.</li> <li>Be specific about calculating fees regarding multiple construction contracts and change order adjustments of contract amount and time.</li> <li>Preliminary Design Phase Documents are NOT required for the Agency review.</li> <li>A.1.02 Preliminary Design Phase, no deliverables are required by the Agency. Eliminate paragraphs A.1.02A.7, A.1.02A.8. and A.1.02B. with words "NOT USED" after the paragraph number. The Preliminary Design Phase exists in order for the engineer to possibly invoice for compensation for services to the owner, as per paragraph C.2.01A.3.a, Sheet C-6.</li> </ul>
Owner's Responsibilities	E-510 Exhibit B (Required)	<ul style="list-style-type: none"> <li>Any of the listed responsibilities that have been moved to Exhibit A or are included in Additional Engineer's Services should be deleted here.</li> <li>B.2.01.R, Any unique tasks or deliverables not covered in the standard language must be added.</li> </ul>
Payments to Engineer for Basic Services	E-510 Exhibit C & Attachment I (Texas) Exhibit C (Required)	<ul style="list-style-type: none"> <li>This outlines how the engineer is to be compensated, use Sheets C-6 and C-7, Percentage of Construction Cost Method of Payment, and Attachment I (Texas) Exhibit C, for payments under Exhibit A, Part 1 – Basic Services.</li> <li>C.2.01A.1., Sheet C-6, insert the cost of the Study and Report Phase (Preliminary Engineering Report and Environmental Report), and show the costs in Attachment I (Texas) Exhibit C.</li> <li>For projects consisting of multiple construction contracts, each contract may have different percent construction cost engineering fees, as per Attachment I (Texas) Exhibit C.</li> <li>In paragraph C.2.01A.2., Sheet C-6, insert: Contract description, estimated cost per each and the applicable Table for the computation for each contract as shown on page 1 of Attachment I (Texas) Exhibit C. Show the total estimated dollar amount for the compensation.</li> <li>The number and type of contracts may change during the design phase.</li> <li>C.2.01A.3.a., Sheet C-6, delete the remainder of the sentence following "...Preliminary Design Phase." No deliverables for the Preliminary Design Phase are required.</li> <li>The engineer may invoice (to the Owner) for the 30% of the total compensation after the completion of the Preliminary Design Phase. The invoice will serve as evidence that the</li> </ul>

Title	Form	RUS Notes: Necessary actions, important points
		engineer has completed the Preliminary Design Phase in accordance with paragraph A.1.02A.
Standard Hourly Rates for Additional Services	E-510 Exhibit C Attachment I (Texas) Exhibit C (Required)	<ul style="list-style-type: none"> <li>• Use Attachment I (Texas) Exhibit C for payments under Exhibit A, Part 2 – Additional Services. NOTE: Attachment I (Texas) Exhibit C replaces Appendix 2 to Exhibit C (Sheet C-14).</li> <li>• Sheet C-12, add paragraph C.2.05.A.2., List of Services and Estimated Dollar Amounts.</li> </ul>
Reimbursable Expenses Schedule (only for Additional Services)	E-510 Exhibit C Appendix 1, Reimbursable Expenses Schedule	<ul style="list-style-type: none"> <li>• C.2.05.B, Sheet C-12 and Reimbursable Expenses Schedule, Exhibit C Appendix 1, Sheet C-13.</li> <li>• C.2.05.B.3., Sheet C-12, Factor of 1.05 shall be entered.</li> <li>• C.2.05.B.4., Sheet C-12, enter the date as “January 1” and the year as that in which the contract is signed.</li> <li>• C.2.05.C.1., Sheet C-12, Factor of 1.05 shall be entered.</li> </ul>
Resident Project Representative	E-510 Exhibit D (Required)	<ul style="list-style-type: none"> <li>• Required if Engineer provides this service.</li> <li>• A similar document outlining duties, responsibilities and limitations of authorities must be used if others provide service.</li> <li>• C.2.04.B.3., Sheet C-9, Factor of 1.05 shall be entered.</li> <li>• C.2.04.C.1., Sheet C-9, Factor of 1.05 shall be entered.</li> <li>• Show the estimated dollar amount in Attachment I (Texas) Exhibit C. Compensation for Resident Project Representative Services shall be based on Standard Hourly Rates, use Exhibit C, Attachment I (Texas), and Reimbursable Expenses Schedule, Exhibit C Appendix 1, Sheet C-13.</li> </ul>
Notice of Acceptability of Work	E-510 Exhibit E (Required)	<ul style="list-style-type: none"> <li>• Executed copy will be provided to the agency.</li> </ul>
Construction Cost Limit	E-510 Exhibit F (Optional)	
Insurance	E-510 Exhibit G (Required)	<ul style="list-style-type: none"> <li>• The purpose of this Exhibit is two fold: a) disclosure of insurance coverages by each party, and b) confirmation of each party’s insurance requirements for this Agreement. Owner and Engineer are not required to carry each type of insurance listed.</li> <li>• Owner should review and update insurance coverage where necessary to maintain adequate protection during construction period.</li> <li>• Owner should consider requiring Engineer to carry comparable types of coverage and limits Owner is carrying.</li> <li>• The default condition is that the contractor is required to provide “All Risk” Builder’s Risk insurance coverage. If the work is modifying existing facilities, the Owner may consider providing the property damage builders risk insurance. This requires modification of General Conditions.</li> </ul>

Title	Form	RUS Notes: Necessary actions, important points
Dispute Resolution	E-510 Exhibit H (Optional)	<ul style="list-style-type: none"> <li>• Use only if it is desirable to settle disputes using a process other than the court system.</li> <li>• Entries in blanks: <ul style="list-style-type: none"> <li>A. Name a specific mediator or mediation service/agency i.e. American Arbitration Association.</li> <li>B. Name of specific arbitration service/organization i.e. American Arbitration Association.</li> <li>B.1. Same as entry in B.</li> <li>B.2. Insert appropriate dollar amounts e.g. \$50,000.</li> </ul> </li> </ul>
Special Provisions	E-510 Exhibit I (Optional)	<ul style="list-style-type: none"> <li>• Use only when special modifications are required by State statute or unique project requirements.</li> <li>• Follow document format</li> </ul>
Amendment to Owner-Engineer Agreement	E-510 Exhibit J	<ul style="list-style-type: none"> <li>• Exhibit J is not a critical part of the initial Agreement, but is the agreed format for amending the Agreement.</li> </ul>

### Owner-Contractor Document List

**Use RUS Bulletin 1780-26, Exhibit B, and Texas RUS Instruction 1780 - C, Appendix A, for Assembly of EJCDC Contract Documents.**

**RUS Bulletin 1780-26, Exhibit G, paragraph SC-1.01.A.4., Application for Payment, shall be on Form RD 1924-18, rev. 6/97.**

**RUS Bulletin 1780-26, Exhibit G, paragraph SC-1.01.A.10 – Change Order, shall be on Form RD 1924-7, rev. 2/97.**